

PCS for HB 1243

ORIGINAL

2019

1                   A bill to be entitled  
2       An act relating to hospital or group practice mergers,  
3       acquisitions, and other transactions; creating s.  
4       542.275; providing definitions; requiring notice to  
5       the Attorney General of certain hospital or group  
6       practice mergers, acquisitions, and other transactions  
7       in certain time frames; providing requirements for  
8       such notice; requiring the Attorney General to submit  
9       biennial reports to the Legislature; establishing a  
10      penalty; providing an effective date.

11  
12   Be It Enacted by the Legislature of the State of Florida:

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14       Section 1.   Section 542.275, Florida Statutes, is created  
15   to read:

16       542.275   Notice of certain hospital or group practice  
17   acquisitions; reporting.—

18       (1)   As used in this section, the term:

19       (a)   "Affiliation" means a relationship between two or more  
20   entities that allows the entities to jointly negotiate with one  
21   or more other parties over professional medical services or  
22   reduces the primary service area in which at least one of the  
23   entities provides professional medical services.

24       (b)   "Group practice" has the same meaning as provided in  
25   s. 456.053.

26        (c) "Hospital" has the same meaning as provided in s.  
27        395.002.

28        (d) "Material change" means:

29        1. A merger, consolidation, or affiliation;

30        2. The employment of all or substantially all of the  
31        physicians of a group practice; or

32        3. The acquisition of all or substantially all of:

33        a. The properties and assets of a group practice;

34        b. The capital stock, membership interests, or other  
35        equity interests of a group practice; or

36        c. One or more insolvent group practices.

37        (e) "Primary service area" means the fewest number of zip  
38        codes that account for 75 percent of the patients for a  
39        hospital, hospital system, or group practice in the 5 years  
40        prior to a written notice submitted under this section.

41        (2) A person conducting business in this state that files  
42        a merger, acquisition, or any other information relating to  
43        market concentration in this state with the Federal Trade  
44        Commission or the United States Department of Justice, in  
45        compliance with the Hart-Scott-Rodino Antitrust Improvement Act,  
46        15 U.S.C. s. 18(a), where a hospital, hospital system, or group  
47        practice is a party to the merger or acquisition shall provide  
48        written notice of such filing to the Attorney General. Upon  
49        receipt of a civil investigative demand under s. 542.28, the  
50        person shall provide a complete copy of the filing and any other

51 materials subsequently produced to the Federal Trade Commission  
52 or the United States Department of Justice. The Attorney General  
53 may request additional information.

54 (3) Not less than 90 days prior to the effective date of  
55 any transaction involving a group practice, hospital, or  
56 hospital system that results in a material change to another  
57 group practice of four or more physicians, the group practice,  
58 hospital, or hospital system shall submit written notice to the  
59 Attorney General of such material change.

60 (4) The written notice required under subsections (2) and  
61 (3) of this section shall include:

62 (a) A description of the proposed relationship among the  
63 parties to the proposed transaction.

64 (b) The name, license number, and specialty of each  
65 physician in the group practice that is the subject of the  
66 proposed transaction.

67 (c) The name of each business entity that will provide  
68 services following the effective date of the transaction.

69 (d) The address for each location where such services are  
70 to be provided.

71 (e) A description of services to be provided at each  
72 location.

73 (f) The primary service area to be served by each  
74 location.

75 (g) A description of any prior material change occurring

76 in the 5 years prior to the date of the notice, including the  
77 primary service area and any change to the primary service area  
78 as a result of each prior material change.

79 (5) Not less than 90 days prior to the effective date of  
80 any transaction that results in an affiliation between a  
81 hospital or hospital system and any other hospital or hospital  
82 system, each party to the affiliation shall submit written  
83 notice to the Attorney General of such proposed affiliation, to  
84 include:

85 (a) A description of the proposed relationship among the  
86 parties to the proposed affiliation.

87 (b) The name of each business entity that will provide  
88 services following the effective date of the affiliation.

89 (c) The address for each location where such services are  
90 to be provided.

91 (d) A description of services to be provided at each  
92 location.

93 (e) The primary service area to be served by each  
94 location.

95 (6) When submitting written notice under subsections (4)  
96 or (5), the group practice, hospital, or hospital system shall  
97 identify any information that is a trade secret as defined in s.  
98 688.002. Upon receipt of a written notice submitted under  
99 subsections (4) or (5), the Attorney General may request  
100 additional information or issue a civil investigative demand

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101     under s. 542.28.

102             (7) The Attorney General shall submit a biennial report to  
103     the President of the Senate and the Speaker of the House of  
104     Representatives beginning January 1, 2020, regarding its  
105     activities under this section.

106             (8) A person that fails to comply with this section is  
107     subject to a civil penalty of not more than \$500,000, which  
108     shall be deposited in the Legal Affairs Revolving Trust Fund  
109     under s. 16.53(1), for enforcement of state or federal antitrust  
110     laws.

111             Section 2. This act shall take effect July 1, 2019.